

**Appln No. 09/690,243**

**Amdt date September 15, 2003**

**Reply to Office action of March 13, 2003**

**REMARKS/ARGUMENTS**

By this amendment, Applicants have amended the specification to reference copending applications containing related subject matter. Claims 1-79 are presently pending. Applicant respectfully requests reexamination, reconsideration and allowance of this application.

Applicant thanks the Examiner for his careful consideration of this application. The Examiner has objected to claims 8, 15, 17, 23 and 58 based on certain informalities. Applicants have amended the noted claims merely to overcome the informalities cited by the Examiner; the claims amendments are not narrowing amendments.

The Examiner has rejected claims 1-79 under 35 U.S.C. 102 as allegedly being unpatentable over Whitehouse, U.S. Patent 6,005,945. Applicant respectfully requests that the rejection be withdrawn

In one embodiment of Applicants invention, as set forth in independent claims 1 and 39, a scalable system includes, among other elements, a stateless cryptographic module in which security device transaction data may be processed in the server system in a stateless manner. Being stateless, the transactions are not tied to one machine, so multiple server machines can service each functional subsystem allowing additional hardware to be added easily to each subsystem to handle increased processing load. Additionally, one or more stateless cryptographic modules are responsible for creating multiple PSDs and manipulating the PSD's data for security. The number of

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cryptographic modules therefore may be easily increased or decreased to meet the changing needs of the system.

The Whitehouse reference relied upon by the Examiner does not disclose such a scalable system with a stateless cryptographic modules. According to Whitehouse, "[a] key aspect of the system is that all secure processing required for generating postal indicia is performed at secure central computers.... The secure central computer 102 at a central site contains all of the customer account information, current balances, a transaction log for each customer, details on each mail piece indicia dispensed, and encryption software and keys." See Whitehouse, Abstract; col. 6, lines 21-30; col. 9, lines 12-20, and FIG 4. Whitehouse, therefore, discloses a system including central computers dedicated to particular users based upon whether the central computer holds the information pertaining to that customer's account. It does not disclose a scalable system including a stateless cryptographic module, nor does it disclose a scalable system in which security device transaction data may be processed in the server system in a stateless manner. Accordingly, as the Whitehouse fails to disclose elements of the claimed inventions as set forth in claims 1 and 39, the rejections under 35 U.S.C. 102 must be withdrawn.

The remaining claims 2-38 and 40-79 depend directly or indirectly on independent claims 1 and 39, and therefore are also in condition for allowance.

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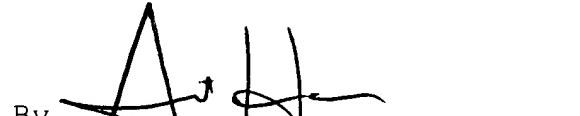
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Based on the foregoing, Applicant respectfully requests early issuance of a Notice of Allowance for claims 1-79.

Respectfully submitted,

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